

REMARKS

The preceding amendments and the following remarks form a full and complete response to the Office Action dated July 29, 2008, which has been received and carefully reviewed. Claim 1 has been amended, but no new matter has been added. Support for the amendments can be found, inter alia, in paragraphs 4, 8, 12 and 16 of the specification. Thus, claims 1-12 are pending in this application. In view of the above amendments, and the following remarks, Applicants respectfully request reconsideration of this Application, and allowance of all of the presently pending claims.

As an initial matter, Applicants submit that the Examiner has prematurely made the present rejection Final. An Office Action should not be made final “where the examiner introduces a new ground of rejection that is neither necessitated by applicant’s amendment of the claims, nor based on information submitted in an information disclosure statement.” MPEP § 706.07(a). This is because a clear issue should be developed between the examiner and applicant before the final rejection is made. See, e.g., MPEP § 706.07. In the present case the previously made rejections were withdrawn and in their place, the Examiner has made a new rejection involving a reference not present in the previous rejection: U.S. Patent No. 7,044,463 to Brotherston et al. (“Brotherston”). Additionally, the claims have not previously been substantively amended and no IDS was submitted subsequent to the previous Office Action. Thus, the final rejection has been made before a clear issue has been developed between the examiner and the applicant. See MPEP § 706.07. Applicants, therefore, respectfully request the withdrawal of the finality of the present rejection.

Claims 1-12 were rejected under 35 U.S.C. §103(a) as unpatentable over by U.S. Patent No. 6,012,565 to Mazur ("Mazur") in view of U.S. Patent No. 5,680,472 to Conant ("Conant"), U.S. Patent No. 5,462,149 to Waine ("Waine") and Brotherston. Applicants traverse the rejection on the basis that claims 1-12 recite subject matter neither disclosed nor suggested by the combination of Mazur, Conant, Waine, and Brotherston.

Claim 1 recites a method for adjusting a bank note processing machine wherein threshold values of sensors are defined for recognizing bank notes unfit for circulation. According to the method, at least one bank note that is fit for circulation is selected and at least one bank note unfit for circulation is selected. The selected bank notes are then processed by means of the bank note processing machine and the data of at least one sensor are stored. At least one threshold value for the at least one sensor is defined by evaluating the stored data of the at least one sensor. The selection of the unfit bank note is based, at least in part, on the presence of soil, damage, or alien elements and the selection of the fit bank note is based, at least in part, on the lack of soil, damage, or alien elements.

Mazur discloses a currency handling system capable of operating in two modes: a "standard" mode and a "learn" mode. See Mazur at col. 4, lines 66-67. When working in its standard mode, the system compares information of data acquired from an optical and/or magnetic scan of a bill to "master information" to determine, e.g., the bill's authenticity or denomination. See Mazur at col. 4, line 66 – col. 5 line 26. In order to update the "master information" (e.g., for changing the machine to read British Pounds

instead of U.S. Dollars), Mazur discloses a “learn” mode. See Mazur at col. 8, lines 27-60. In order to operate in learn mode, the user loads a stack of representative master currency bills in a hopper, which then get fed through the system and read. *Id.* These bills get optically and/or magnetically scanned and the information gets stored as “master information” in the system’s memory. *Id.* The master information comprises thresholds of acceptability, which may be used to evaluate subsequent currency bills. *Id.* at col. 2, line 66 – col. 3, line 1.

Waine discloses a coin validator that determines the denomination of a coin and can also determine if the coin is counterfeit. See Waine at col. 1, lines 59 – col. 2, line 32. Additionally, Waine discloses a teach mode that the operator can use to program the apparatus to reject or accept certain counterfeit coins if they have previously not been rejected. *Id.*; col. 7, line 8 – col. 8, line 29.

Despite the Office’s assertion, the combination of Mazur and Waine fails to disclose or suggest several salient features of claim 1. For instance, both references fail to disclose selecting at least one bank note fit for circulation, wherein the selection of the fit bank note is based at least in part on the lack of soil, damage, or alien elements and selecting at least one bank note unfit for circulation, wherein the selection of the unfit bank note is based at least in part on the presence of soil, damage, or alien.

The Office asserts that Mazur’s disclosure of the use of master currency bills teaches selecting a bank note fit for circulation. See Office Action at 2. Mazur, does not disclose selecting its master currency bills based at least in part on the lack of soil, damage, or alien elements contained on the bill. The Office Action correctly states that

Mazur fails to disclose selecting an unfit bank note. See Office Action at 2.

Accordingly, claim 1 is patentable over Mazur.

Waine fails remedy the deficiencies of Mazur with respect to claim 1.

Specifically, Waine, which was cited for its purported disclosure of selection an unfit bank note, fails to do so. Like Mazur, Waine fails to disclose selecting a bank note based at least in part on the presence of soil, damage, or alien elements. Thus, claim 1 is also patentable over Waine.

Conant, which is cited for its disclosure of the use of a discriminant function, and Brotherston, which is cited for its use of separator cards in processing bank notes, fail to remedy the deficiencies of Mazur and Waine with respect to claim 1. That is, neither Conant nor Brotherston discloses selecting at least one bank note fit for circulation, wherein the selection of the fit bank not is based at least in part on the lack of soil, damage, or alien elements and selecting at least one bank note unfit for circulation, wherein the selection of the unfit bank note is based at least in part on the presence of soil, damage, or alien elements, as claim 1 requires.

Thus, the combination of Mazur, Waine, Conant, and Brotherston fails to disclose or suggest each and every element of claim 1. Applicants, therefore, respectfully request that the rejection of claim 1, and of its dependent claims 2-12, be withdrawn and that claims 1-12 be allowed.

In view of the above, all objections and rejections have been sufficiently addressed. The Applicants submit that the application is now in condition for allowance and request that this application be passed to issue.

In the event that this paper is not timely filed, Applicants respectfully petition for an appropriate extension of time. Any fees for such an extension together with any additional fees may be charged to Counsel's Deposit Account No. 02-2135.

If for any reason the Examiner determines that the application is not now in condition for allowance, it is respectfully requested that the Examiner contact, by telephone, the Applicants' undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this application.

Respectfully submitted,

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